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DIARY NOTES

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DD/S [redacted]

27 July 1959

1. At the Deputies' Meeting:

a. The Director handed me a letter from The Honorable Thomas S. Gates, Deputy Secretary of Defense, having to do with CRITICommunications and asked me to insure that it was coordinated with interested Agency components and the reply expedited.

b. Mr. Amory obtained the Director's permission to close the CIA Library on Saturdays and provide coverage by stand-by duty officers. He arrived at this conclusion by a study of the workload over the past several weeks. I think that we can do likewise when we have looked at our statistics indicating the amount of business we do on Saturday mornings.

c. Bob Amory reviewed with the Director his proposed plan to reduce the cost of the NIS Program, at least that part of it which is done by the Department of State. The Department wants the same amount as it had in Fiscal Year 1959; however, Bob proposes to reduce the Fiscal Year 1960 level to $2.4 million and the Fiscal Year 1961 level to $2.16 million. The Director approved of Bob writing to Hugh Cumming to this effect.

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d. In connection with the Health Insurance Bill now in the Congress, I reported to the Director that I had authorized [redacted] to take a position for the Agency which would provide for a special subsection authorizing the Director of Central Intelligence to set up a plan comparable to that provided for other governmental agencies.

e. Sherman Kent reported on two articles in recent Intelligence Studies having to do with handwriting and suggested that it was worth a project to explore the possibility of analyzing handwriting characteristics for operational purposes. The Director asked me to look into this and see what should be done.

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3. I ran into [redacted] of ONE at lunch. In response to his query as to how he might find out what his retirement benefits would be, I told him that I would have someone get in touch with him and explain the whole business. He will be 62 years of age sometime next year. 25X1A9a

4. Messrs. Powers and Rubin of the General Accounting Office were in to see me about the [redacted] contracts and left a list of questions to which they would like specific answers. The gist of the matter is that Messrs. [redacted] started out with almost nothing. Each put $6750 into the business which is now worth something in excess of $4 million in the short space of five years. Their fees are high. While their profit margin on our contracts is about 8% profit, on Air Force contracts it is something in excess of 14%. The General Accounting Office feels it is possible that [redacted] contracted with the Air Force and with us almost simultaneously, far outstripping their capabilities to comply. I have turned the memorandum over to [redacted] and requested that the Development Projects Division prepare answers to the questions---which will have to be reviewed by Dick Bissell and Larry Houston, and possibly the Director, before they are released to GAO. 25X1A5a2 25X1A5a2 25X1A5a2 25X1A9a

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Note: An excerpt of paragraph 1.c. was forwarded to the Comptroller on 28 July 1959. (DD/S-59-3422)

An excerpt of paragraph 3. was forwarded to the Director of Personnel on 28 July 1959 with the following comment: "Gordon - Would you please have someone contact [redacted] and explain to him his entitlements at the time he reaches 62 years of age." (DD/S-59-3423) 25X1A9a